October 2, 2024

Memorandum to: Antonietta Minichillo
General Manager, Corporate Services
Town of Orangeville

From: Daryl Keleher, MCIP, RPP, Principal
Keleher Planning & Economic Consulting Inc.

**Re:** Orangeville DC Review
**Our File:** P1174

Keleher Planning & Economic Consulting Inc. was retained by Great Gulf to review the Town of Orangeville's 2024 Development Charges Background Study and proposed DC by-law. This memorandum provides the questions and comments from my review.

# CHANGES TO DC RATES

The table below summarizes changes to Town-wide DC rates, as expressed on a per single-detached unit (SDU) basis in detail and for other unit types in total. The Town's DC rates are proposed to increase by 65%, or an increase of $19,586 per SDU. The DC rate increase is driven by increases to the Parks & Recreation DC (+$5,629 per SDU), the Water DC (+$4,572 per SDU), Roads (+$3,712 per SDU) and the re-introduction of Studies ($3,253 per SDU).

*Figure 1*

**Current and Proposed DC Rates, Town of Orangeville**

| Service | Current | Proposed | Change | % Change |
|---|---|---|---|---|
| Roads | $ 5,908 | $ 9,620 | $ 3,712 | 63% |
| Transit | $ 220 | $ 1,282 | $ 1,062 | 483% |
| Fire | $ 1,032 | $ 1,498 | $ 466 | 45% |
| Police | $ 806 | $ 298 | $ (508) | -63% |
| Parks & Recreation | $ 6,322 | $ 11,951 | $ 5,629 | 89% |
| Library | $ 731 | $ 1,571 | $ 840 | 115% |
| Studies | $ - | $ 3,253 | $ 3,253 | n.a. |
| Wastewater | $ 8,983 | $ 8,688 | $ (295) | -3% |
| Water | $ 5,945 | $ 10,517 | $ 4,572 | 77% |
| Stormwater | $ - | $ 855 | $ 855 | n.a. |
| Total | $ 29,947 | $ 49,533 | $ 19,586 | 65% |
| | | | | |
| Multiples | $ 23,708 | $ 40,901 | $ 17,193 | 73% |
| Large Apts | $ 15,296 | $ 31,220 | $ 15,924 | 104% |
| Small Apts | $ 10,632 | $ 17,233 | $ 6,601 | 62% |
| | | | | |
| Non-Residential | $ 10.60 | $ 13.86 | $ 3.26 | 31% |

Source: KPEC based on Town of Orangeville 2024 DC Study

The Great Gulf lands are located in Water Distribution Area WD2 & WD4, Sanitary Sewer Area SS1 & SS4, Stormwater Management Area SWM1/2, and Roads Areas RSP1. As noted on page vi of the 2024 DC Study, these area-specific DC rates are in addition to the Town-wide charges.

*Figure 2*

**Current and Proposed DC Rates, Town of Orangeville, Area-Specific DCs**

| | $ / Developable Ha. | | | |
|---|---|---|---|---|
| Service | Current | Proposed | Change | % Change |
| Roads - RSP1 | $ 19,333 | $ 14,803 | $ (4,530) | -23% |
| | | | | |
| Water - WD1 | $ 1,865 | $ 23,903 | $ 22,038 | 1182% |
| Water - WD2 | $ 5,156 | $ 5,176 | $ 20 | 0% |
| Water - WD3 | $ 2,086 | $ 7,216 | $ 5,130 | 246% |
| Water - WD4 | $ 3,685 | $ 7,847 | $ 4,162 | 113% |
| Water - WD5 | $ 47,239 | $ 26,738 | $ (20,501) | -43% |
| Water - WD6 | $ 13,400 | $ 12,058 | $ (1,342) | -10% |
| | | | | |
| WW - SS1 | $ 5,874 | $ 6,713 | $ 839 | 14% |
| WW - SS3 | $ 16,028 | $ 12,701 | $ (3,327) | -21% |
| WW - SS4 | $ 5,078 | $ 5,689 | $ 611 | 12% |
| | | | | |
| Stormwater - SWM1 | $ 5,002 | $ 12,222 | $ 7,220 | 144% |
| Stormwater - SWM2 | $ 19,322 | $ 19,166 | $ (156) | -1% |
| Stormwater - SWM3 | $ 18,605 | $ 21,727 | $ 3,122 | 17% |
| Stormwater - SWM4 | $ - | $ - | $ - | n.a. |
| Stormwater - SWM5 | $ - | $ - | $ - | n.a. |
| Stormwater - SWM6 | $ 6,365 | $ 5,037 | $ (1,328) | -21% |
| Stormwater - SWM3/4 Ext1 | $ 10,413 | $ 9,529 | $ (884) | -8% |
| Stormwater - SWM3/4 Ext2 | $ 10,413 | $ 8,252 | $ (2,161) | -21% |

Source: KPEC based on Town of Orangeville 2024 DC Study

# QUESTIONS AND COMMENTS

## Population, Household and Employment Forecasts

1) The Town's OP (section C2) states that the Town is to grow to 36,490 persons by 2031, however the forecast horizon of 2034 only uses a population of 33,820 persons. The population of 36,490 persons is, for the purposes of the DC Study, considered the 'build out' scenario.

   The footnote to the Dufferin County OP states that the 2036 forecast for Orangeville is also 36,490 persons, and that "population forecasts beyond that identified is constrained due to the lack of approved municipal water services and municipal sewage services." Do the service capacity improvements identified in the Town's DC Study expand the capacity such that it can achieve the County's 2051 allocation to the Town of 38,500 persons?

2) Over one-quarter of the total employment growth over the 2024-Build Out period is in "No Fixed Place of Work" employment sector, with more jobs than any of the Work from Home (245 jobs), Industrial

(408), Commercial (280) and Institutional (126) sectors. What is the basis for this significant allocation for NFPOW?

3) In the calculations undertaken for determining PPU factors, it appears that the 25-year averages are straight averages of the individual five-year period averages, without any weighting for periods where substantially more units may have been built.

   a) Has the Town's consultant done a weighted average based on the respective sample size in each five-year period?

   b) What is the nature of the adjustment to the Multiples from the straight 25-year average of 2.745 to the adjusted average of 2.611?

4) A footnote to Schedule 9B indicates that "forecast institutional employment and gross floor area has been adjusted downward to account for employment associated with special care units" – can more details be provided regarding the adjustment that has been made?

## Project Deferrals

5) The Town's capital budget webpage indicates that several capital projects were deferred outside of the 10-year period, with $43 million in cost reductions. Several of these projects are included in the Town's 2024 DC Study, as summarized in the table below.

*Figure 3*

**Town Capital Project Deferrals and Inclusion in 2024 DC Study**

| Project | Service | Proj # | Area | Gross Cost | PPB | BTE | Other Contributions | DC Recoverable | Residential Share | Non-Res Share |
|---|---|---|---|---|---|---|---|---|---|---|
| SCADA System Upgrades | Water | 3 | Town-wide | $ 5,025,000 | $ - | $ 3,768,800 | $ - | $ 1,256,200 | $ 1,118,018 | $ 138,182 |
| Road Resurfacing Program | Roads | 20 | Town-wide | $ 12,200,000 | $ - | $ 10,438,600 | $ - | $ 1,761,400 | $ 1,532,418 | $ 228,982 |
| 3 Bay Expansion | Roads | 14 | Town-wide | $ 2,680,000 | $ - | $ - | $ - | $ 2,680,000 | $ 2,331,600 | $ 348,400 |
| Alder Library Expansion / Provision for Additional Space | Library | 6 | Town-wide | $ 742,400 | $ - | $ - | $ - | $ 742,400 | $ 705,280 | $ 37,120 |
| Rotary Park Redevelopment | Parks & Recrea | 14-15 | Town-wide | $ 11,325,000 | $ 5,748,100 | $ 2,230,200 | $ 250,000 | $ 3,096,700 | $ 2,941,865 | $ 154,835 |

Source: Town of Orangeville 2024 Capital Budget and 2024 DC Study

## Parks & Recreation

6) Why would the BTE for a $4.0 million conversion of a field from natural turf to multi-use artificial turf be only $100,000, or 2.5%? Has the Town estimated how much of an increase in field capacity would the conversion generate?

7) Why is the BTE for the Alder Park Rehabilitation only 50%? What new capacity is being added through the rehabilitation project?

## Studies

8) Why is the "Transit Study" assigned a BTE of 25%, but the "Feasibility Study" for EV Transit Fleet is assigned only a 12% BTE?

9) The capital program for Studies shows a total of $4.86 million in project costs for studies over the 10-year period from 2024-2033. Has the Town undertaken a level of service analysis to compare the anticipated annual expenditures against historic spending on growth-related studies?

## Roads

10) How many km of road resurfacing is assumed to be funded by the $12.2 million Road Resurfacing Program?

11) Can the basis for the BTE allocation for Project 22 – "C-Line Reconstruction, Century to Townline", which involves an 'upgrade to urban standard, including sidewalks and bicycle lanes" be provided?

12) Is the $6.92 million for the Oversizing of the Hanson Blvd. extension inclusive or exclusive of local servicing costs? If so, what proportion of costs associated with local service costs were not included?

13) The 2019 DC Study included $1.6 million in 'other contributions' for the Hanson Blvd Bridge at Creek Crossing, or approximately 89% of estimated project costs ($1,796,000). By comparison, the 2024 DC Study includes only $1,546,000 in other contributions, or only 47% of total project costs ($3,282,000) – what is the 'other contributions' amount meant to represent and should it have increased with the increase in project costs?

14) Schedule B-3 includes 16 "bridges and culverts" at a value of $3,282,000 per item, equating to total value of $52.5 million. Based on the quantities and values shown in the 2024 DC Study, I have the following questions:

    a) Can the background details be provided for the replacement cost attributed to the bridges and culverts in the Town's LOS inventory?

    b) According to the Town's 2022 Financial Information Return, the Town has 9 bridges and 6 culverts – has the Town prepared separate cost estimates for bridges versus culverts? In the Town of Shelburne's 2021 DC Study, the highest cost attributed to culverts was $607,320. Even if the Town's 6 culverts had a value of $1,000,000, this would mean that the 9 bridges would have to have an average value of $5,168,000.

    c) In total, the value attributed to the bridges and culverts equates to a total estimate value of $52.5 million. According to the Town's 2022 FIR, the replacement cost of the Town's bridges and culverts amounted to $7.47 million (before accounting for amortization)

15) Can an explanation be provided for why the number of streetlights in the LOS inventory increased from 1,873 items in 2021 to 2,528 items in 2022?

16) In the Town's 2019 DC Study it showed an inventory of 96km of roads, at a value of $807,800 per km. In the 2024 DC Study, the inventory is shown as 97 lane km, with a value of ranging from $1.91 million to $2.47 million per lane km.

    a) Is the unit basis in the 2024 DC Study lane km or km?

    b) Is the replacement value assumed in the 2024 DC Study per lane km or per km?

    c) How much of the replacement value assumptions are land value underlying road segments?

### Fire

17) There are several questions in relation to the Provision for a New Fire Station:
    a) What is included in the $29.5 million in costs for the new fire station?
    b) What is the basis for the cost increase from $6.0 million in the 2019 DC Study to $29.5 million in the 2024 DC Study?
    c) What proportion of costs relate to building (30,000 sf) and what proportion relates to land costs?

### Water

18) What capacity would the elevated storage facility and 'additional water supply capacity' in projects 1 and 2 provide for? Should the growth forecasts be increased to reflect the increased capacity?

19) Can the basis for the cost increase of the Elevated Storage Facility from $5.0 million in the 2019 DC Study to $15.0 million in the 2024 DC Study be provided?

### Wastewater

20) The Town's capital budget notes that infiltration of groundwater and inflow of stormwater 'uses capacity' of the sewage conveyance system and the WPCP, and that reductions in infiltration and inflow can add additional capacity. However, these projects would restore capacity that existed, rather than construct net-new capacity, as the nature of the projects is to repair existing assets. The capital budget assigned only 10% of costs to the DC, with the other 90% being from general reserves. On what basis is the project only 20% BTE in the DC Study when it has been budgeted based on 90% funding from existing development?

21) The Town's 2024 capital budget only shows $190,000 in funding over the 2024-2033 period for inflow and infiltration projects, not the $7.4 million shown in the 2024 DC Study. What is the basis for the cost of the Infiltration Reduction projects increasing from $1.47 million in 2019 to $7.4 million in the 2024 DC Study, an increase of 402%?

22) What assumptions were made regarding term, interest rate and principal amount for the WPCP Expansion cost recovery of $15.2 million? What proportion of costs relate to each of principal and interest?

### Stormwater

23) What is the basis for the application of 75% BTE for the $9.0 million for "SWM Pond Rehabilitation"?

24) The Town's DC by-law 2019-043 expired on August 26, 2019, and no other DC by-laws are evident on the Town's website. Under what by-law has the Town been collecting development charges since August 27, 2024?

# NEXT STEPS

Thank you for the opportunity to provide feedback on the Town's 2024 DC Study and proposed DC by-law. Given the range and scale of the questions raised, it is requested that the Town allow opportunities for discussion with Town staff and consultants retained by the Town.